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FEDERAL BUREAU OF INVESTIGATION



Date of transcription 09/16/2009

SHAWN L. HUGHES, date of birth [REDACTED], SSAN [REDACTED] residing at [REDACTED] cell phone number [REDACTED] was interviewed telephonically. She was provided the identity of the interviewing agent and the purpose of the interview. Also present during the interview were Assistant United States Attorney, Jeffrey Goldberg, of the Eastern District of New York and Jennifer Loach of the Securities and Exchange Commission. HUGHES provided the following information:

HUGHES was advised that she had a right to an attorney and that she was answering questions voluntarily. Attorney, Ron Richards was on the call initially, but was not representing HUGHES and hung up the phone before any questions were asked.

HUGHES graduated high school in 1989. She attended Heald Business College for two and a half years. From the year 2003 to 2007, HUGHES was the business manager for the businesses owned by KENNETH JOWDY. Some of the businesses JOWDY owned included; DIAMANTE CABO SAN LUCAS, DIAMANTE DEL MAR, DIAMANTE AIR and BAJA MANAGEMENT. HUGHES worked out of JOWDY's location in the Manhattan Beach, CA area. JOWDY eventually relocated the office to Las Vegas, NV. There was a 3 to 5 month time frame in 2006, that HUGHES left the company. HUGHES was engaged to BRET SABERHAGEN, a former Major League Baseball (MLB) player. SABERHAGEN and JOWDY did not get along, so HUGHES left the company but returned after she ended the engagement. In 2003, HUGHES' roommate introduced her to JOWDY.

Some of the other employees HUGHES interacted with while working for JOWDY were; FERNANDO GARCIA (Mexican assistant), BILL NAJAM (attorney), ROD BURDICK (project manager), ANTHONY MURANDA (project manager), KEN AYERS (ran project), JOWDY (CEO) and PHIL KENNER (co-founder). KRISTIE MYRICK, was KENNER's personal assistant. AYERS was the head project manager, but HUGHES did not know what he did. She did not see him much.

At the beginning of her employment, there seemed to be a lot of developing going on. JOWDY would put together a golf tournament every year in Cabo San Lucas and invite people. Money was being raised to develop the property called DIAMANTE DEL MAR, located in Mexico. JOWDY wanted to be a big developer in Mexico.

Investigation on 6/29/2009 at Melville, NY (telephonically)

File # 318B-NY-302683

by SA MATT GALIOTO

5 days after
Kenner's FBI
proffer

Ayers (\$400,000
per year salary)
was in charge of
submitting Jowdy's
false budgets.

318B-NY-302

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JOWDY would entertain all of KENNER's clients, who were current or former National Hockey League (NHL) players. Former MLB players would also be invited to the tournament, although they had no intentions of investing. Money raised was being spent on entertaining, not developing. People were not pre-qualified before they were allowed to fly to Mexico to view the property and play in the golf tournament. Many of the same baseball players went down to Mexico for the golf tournament every year. HUGHES would hear the baseball players talk about going on a free trip to Cabo to play golf. HUGHES believed that JOWDY knew the baseball players were not going to invest, but invited them on the trip anyway. HUGHES saw lavish spending during her time as JOWDY's employee. JOWDY would use private planes from DIAMANTE AIR to fly people during breaks in the baseball season. The plane was usually "filled with girls."

HUGHES believes that JOWDY made some bad business decisions, but put on a big "dog and pony" show and put up "smoke and mirrors" because he could not deliver what he promised. JOWDY is good at raising money. He tricked a lot of people and did not deliver like he said he would. JOWDY was "living the life" on other people's money.

When JOWDY was backed into a corner, he would expect KENNER to bail him out. One time the electricity was turned off in the hanger that housed the airplanes and JOWDY expected KENNER to raise more money to pay the overdue bills.

The money raised for the project was suppose to go for the development of the Del Mar property, but most of the money was spent on entertainment at the Cabo San Lucas property. KENNER, who lived in Phoenix, AZ at the time, was aware of some of the spending going on. JOWDY did not keep investors in the loop because most of the money was spent on entertainment and not the development of the project. When investors asked for an update on the project, JOWDY would always brush it off and say he would get around to it. JOWDY did not have the expertise to run the project. If it was disclosed he would have to take responsibility for what he did and he would not be able to continue the project.